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AUTHOR Williams, Barbara R.
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ABSTRACT

Although some comparisons among three diverse cities were made, the three cities were selected precisely because they represented diverse clusters of urban problems. San Jose, California, was the scene of very rapid growth for more than a decade. St. Louis, Missouri, on the other hand, contained the prototypical problems of a declining central city, including one of the highest rates of building and neighborhood abandonment in the U.S. Seattle, Washington, represented a metropolitan area responding favorably to a strong exogenous shock. Under the high unemployment caused by aircraft industry lay-offs during the late sixties and early seventies, the economy showed unexpected resilience. Rand's research in San Jose, Seattle, and St. Louis represents work done in the first year of what was conceived to be a five-to-seven year research program during which 12 to 15 cities would be studied in depth. The intent of the research effort was to create a frame work that could guide policy decisions at (ultimately) all levels of government. Comparisons that could be made among these three quite diverse cities related to the topics of major urban policies, constraints on local officials, the people versus territory issue, and other conceptual comparisons. (Author/JM)

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The Rand Corporation
Santa Monica, California 90406

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Barbara R. Williams
Director
Urban Policy Analysis Program
The Rand Corporation, Washington, D.C.

Introduction

In naming this paper before I wrote it, I have quite possibly followed that cherished academic folkway of seducing the reader by a title that overpromises the substantive presentation. Although I will be making some comparisons among three diverse cities, these comparisons were serendipitous outcomes of the Rand research. The three cities (San Jose, Seattle, St. Louis) were not intended to be compared with one another. They were selected precisely because they represented diverse clusters of urban problems.

San Jose, California, was the scene of very rapid growth for more than a decade. There, officials faced the potential dilemma of continued dependence on growth for private and public prosperity in the face of increasing public concern with the aesthetic and environmental deterioration that had accompanied past growth. St. Louis, Missouri, on the other hand, contained the prototypical problems of a declining central city, including one of the highest rates of building and neighborhood abandonment in the United States. But abandonment can be viewed as a problem or as an opportunity; many officials hoped that new investment could be stimulated for city land cleared of former uses, turning abandonment into the harbinger of

*Speech delivered at the American Real Estate and Urban Economics Association Meetings, Washington, D.C., May 23, 1974.

renewed vitality. Seattle, Washington, represented a metropolitan area responding favorably to a strong exogenous shock: Under the high unemployment caused by aircraft industry layoffs during the late sixties and early seventies, the economy showed unexpected resilience, and we were interested in the reasons for that resilience.

Clearly, the issues addressed in each of these cities were quite different. However, they were intended to lead into comparative urban research. Thus, before I discuss the comparisons that emerged somewhat unexpectedly from these three cities, let me describe the style of comparative urban research we intended, and discuss some of its problems.

Description of the Program

Rand's research in San Jose, Seattle, and St. Louis represents work done in the first year of what was conceived to be a five- to seven-year research program during which twelve to fifteen cities would be studied in depth. Most of our research was accomplished between July 1972 and August 1973, and the final reports and supporting documentation are available to the public.*

The Audience. Intended audiences for the research results were policymakers at all levels of government: (a) local officials in the metropolitan areas where we actually did the research, (b) state officials interested in those metropolitan areas, (c) federal officials concerned with urban policy. We did not expect to deliver strong recommendations about urban policy to all types of policymakers in the same year.

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*D. Alesch and R. Levine, *Growth in San Jose: A Summary Policy Statement*, The Rand Corporation, R-1235-NSF, May 1973; R. B. Rainey et al., *Seattle's Adaptation to Recession*, The Rand Corporation, R-1352-NSF, September 1973; B. Williams, *St. Louis: A City and Its Suburbs*, The Rand Corporation, R-1353-NSF, August 1973.

Rather, we assumed that the most immediately useful information would go to local policymakers and that, over time and sample points, conclusions and recommendations relevant to higher jurisdictions would be developed. Our expectations were not fully realized. We actually emerged from the first year's research with implications for urban policy that were of somewhat more interest to federal and state officials than to local officials. This was in part due to the intent of the research and in part to what we discovered from the analysis.

Intent of the Research. The intent of our research effort was to create a framework (or a frame of reference) that could guide policy decisions at (ultimately) all levels of government. We were not attempting to develop solutions to problems that particular cities had. Nor were we trying to create some all-encompassing "model of the American city." Rather, we wanted to provide policymakers with an understanding of the system for which they are making decisions that would designate the outside limits of what they may hope to accomplish, the major impediments to the things they want to achieve, the major conflicts they will stimulate by one course of action as opposed to another, and so forth. We thus directed our analysis in each city to the *constraints* imposed on local policymakers by higher-level government decisions or market decisions, the *incentives* created by market forces and existing policies, and the major *areas of conflict or agreement* among different citizen groups.

Our interest in providing a guide to policy decisions came from a particular understanding of the way policy is made. The formation of

public policy is not typically a matter of weighing carefully researched, tightly reasoned alternatives in a rational atmosphere of simple good will. It is more often a catch-as-catch-can series of small decisions pushed and shoved in a politically charged and changing atmosphere. This is not to say that decisionmakers eschew careful research on specific policy options. Rather, it is to note that researchers are often not on hand at the right time, that their results are too long in arriving, or that particular decisions in the chain of policymaking seem too small to warrant major research efforts.

The clearest example of policymakers who saw benefits at the local level from policy analysis that provided a decision framework came from San Jose officials. The mayor of San Jose and the long-term planner for the city were enthusiastic recipients of our report because what they wanted was a sense of the direction a series of specific decisions might lead, and an informed judgment about what they should and should not be worrying about. On the other hand, the planner who had to decide, for example, between two different zoning policies, was disappointed in our report. He needed a different type of analysis.

Shared Assumptions about Urban Processes. Although the research teams for these city studies were interdisciplinary (including economists, sociologists, demographers, political scientists, and statisticians), and though the problems we addressed in each city were quite different, we brought a common perception of basic urban processes to each study. That is, we assumed that metropolitan areas represent a set of political boundaries (central cities, counties, smaller municipalities) normally subject to a more or less continuous procession of people and jobs entering and leaving. Within all metropolitan areas, population and employment

have been suburbanizing for many decades, though these changes have been especially pronounced since World War II. Rising incomes and falling transportation costs, permitting more people to indulge their taste for detached single-family homes with yards, have been the usual explanations for the decentralization of urban population. Changing technology and falling transportation costs have increasingly allowed industrial decentralization as well. Federal policies have accelerated the trends set in motion by these market forces. National mortgage insurance programs and tax laws encouraged widespread homeownership following World War II, and highway construction programs increased homeowners' access to the suburbs.

The effects of these market forces and federal incentives should be much alike in all metropolitan areas, yet they are not. They vary considerably from one area to another. Such variation was quite obvious in our three cities: Problems associated with the fast, sprawly growth of decentralization were present in each of the metropolitan areas. However, in San Jose they were perceived as principal problems by officials in the central city and suburbs as well. In St. Louis, those problems, significant as they were to suburban officials, were almost unimportant to city officials when contrasted to the problems associated with central city decline--the other end of decentralization. In Seattle, concern with ill-planned growth and jurisdictional fragmentation rested more with a few citizen groups than on the agendas of the area's policymakers. We understood these different outcomes, despite common influences, to stem from the complex interplay of (a) structural differences in local population composition, industrial mix, governmental make-up, age, topography,

and region; and (b) exogenous shocks peculiar to certain areas (e.g., particular types of migration streams, awarding of aerospace and defense contracts in particular areas, and location propensities of major export industries).

Methodology. The methodology for conducting the kind of research we intended was more difficult than we originally thought. Two common approaches to policy analysis are, first, the approach that begins with the best tools of the discipline--economic or demographic models that have been developed and applied. One takes those tools and applies them to a limited slice of the urban system and with comparisons over time develops future projections that are often quite useful to local officials. In fact, we did some analysis on that order, but it was not a suitable method for the overall study because we were primarily interested in making projections for a whole system, not simply for some of its parts. The second approach is to begin with one or several proposed policy changes in an urban area (alternative zoning regulations, changes in the property tax, different pricing of public services) and analyze the alternative implications of different levels or types of these changes for specified outcomes in the metropolitan area (urban sprawl, residential choice, housing construction, etc.). Again, this is a very legitimate and useful way to do policy analysis, but it is not geared to providing a context for decision that places the policy in a larger perspective. Thus, while it is quite useful for officials to know the incremental differences between two zoning policies, it is equally useful for someone to know that zoning regulations of any kind have dwarfed impact in metropolitan areas where growth is being stimulated exogenously and where

municipalities have strong incentives to compete for tax base. If one city zones out certain industries, the next city is perfectly capable of zoning them in, and the labor force that those industries attract is perfectly capable of seeking housing in either of those cities, or in a third. It is this latter understanding that we were trying to provide in these three city studies. Thus, the analysis of specific policies did not suffice.

We, therefore, started with a problem or issue orientation in each city--one that was developed from informal interviews with a wide range of local decisionmakers--and tried primarily to discover for whom in the metropolitan area it was a problem and how all the parts of the metropolitan system (its politics, economy, location, existing capital stock, population) operated so as to perpetrate that problem or might operate to deflect it. Because of that, we were particularly interested in distinguishing between parts of the system for which policy levers exist and those for which there are none (e.g., location and age of the area).

We intended these first three cities to be a prime source of generating hypotheses for further testing in additional cities. The additional cities were to be chosen (1) from cities that had similar problem clusters but some measurable structural variance (for instance, Philadelphia has a problem cluster similar to that of St. Louis, but it is of significantly larger size); or (2) from cities that had similar structural characteristics to our first cities, but manifested dissimilar clusters of problems. (We had found Seattle to have such a unique problem set and structural composition that we did not use it as a lead to additional cities.)

Well, we do not know if that methodology of city selection would work because we did not have a chance to try it. The National Science Foundation was not sufficiently convinced of its promise to continue funding. One *can* assert that there is great difficulty in making the case that cities selected in the way outlined above really have structures *sufficiently similar*, by scientific canons, to "hold constant" while analyzing disparate problem clusters. Further, it is difficult to make a firm case that we know what structural variance to include if we want to examine similar problems. This is where the absence of robust theories of urban structure and process seriously weaken comparative urban methodology. It seems that the current understanding of cities is something like face recognition: The gestalt is more important than the separate features. And what we have not yet successfully produced is a method for studying a series of gestalts to produce generalizations that appear reliable.

There are, of course, ways of comparing whole cities that produce reliable results, in the scientific sense. The comparative case study is one such method. For our purposes, its weaknesses were, first, that it can lead to imposing categories for analysis too quickly. While that is extremely effective when relationships being examined derive from reasonable theory, it can inhibit new discoveries. Second, one is often driven to treat separate components in the case study as though each had equal weight across cities, and we were interested in bringing the opposite view to analysis--that the components of urban systems carry quite different weights in specific cities. Of course, one can go in a different direction and try to model the relationships of highly aggregated variables across cities. The problem in this approach, from our point

of view, was that these models have quite limited applicability in specific cities. Thus, given the audiences we wanted to address and the kind of analysis we wanted to do, we did not find from any discipline a methodology that could convince skeptics that our results would be generalizable.

Comparisons among the Three Cities

However difficult the method for teasing reliable comparisons out of work we proposed and *did not* do, what were the comparisons we *did* find among these three quite diverse cities?

The Major Urban Policies. One of the early observations we made--which is not surprising--was that those policies that appeared to have the most impact on cities were not, in fact, ones that we commonly think of as "urban policies": e.g., public housing, urban renewal, model cities, revenue sharing. Rather, it is transportation policies, federal procurement policies, tax policies, home financing policies, loan and insurance policies, policies related to school financing and desegregation that seemed to have the most impact on the rate, shape, and population composition of these three metropolitan areas. Given that major decisions connected with these policies are made at jurisdictional levels beyond the municipal, one would expect to find--and we did--that local officials often manage their localities under serious constraints.

Constraints on Local Officials. In San Jose and St. Louis, we were especially impressed by the constraints on local officials brought

about by powerful exogenous shocks from the market and decisions of higher level governments. In San Jose, local officials had often been accused of promoting uncontrolled growth for personal gain. Yet it is difficult to imagine a "no-growth" city manager being elected during the boom period of the sixties when federal procurement policy so encouraged industrial development in the Bay area. Add to these pressures the fact that centralized control of land use was virtually impossible, given the incentives for municipalities to compete for tax base that state laws regarding property tax provided--and it is understandable that the patterns of growth throughout Santa Clara County were modeled after Topsy. Now that the sharp growth pressures from outside have diminished, municipalities in the county are beginning to cooperate to bring order to the process. Of course, their constituents are now the post-boom generation: Having acquired ranch-style houses and yards, they are more willing to impose controls on the pattern of future development.

In St. Louis, similar exogenous forces to those in San Jose had produced a somewhat different set of problems. Working in a metropolitan area whose central city was jurisdictionally locked into boundaries established before the automobile was invented, and which had a high proportion of old capital stock, the policies and tastes accelerating suburbanization had subtracted large numbers of upper- and middle-income families and growth industries from the central city. Because of its inflexible boundaries, the city could not expand its resource base as its proportion of disadvantaged residents increased. St. Louis appears to be strongly dependent for increasing revenues on outside sources (federal, state, or suburban governments) and in that sense, local control is diminished.

Stimulation of new economic development within the city faces strong competition from the suburbs--where larger parcels of land are available for development often at less cost to develop, where crime rates are lower, and where the negative externalities of deteriorating neighborhoods can be more easily escaped.

Of the three cities, constraints on local control in Seattle had the least deleterious effects. Certainly, city officials had no control over the "Boeing recession"--as we came to call it. The startling resilience of the economy under recession had little to do with local policies, and much more to do with the fact that a large number of those hit by the recession had savings built up or were eligible for unemployment insurance. Under the threat of another downturn at Boeing in the short term, continued resilience is less secure. However, Seattle has both the institutional base and regional amenities to attract a more diversified science-based industrial growth. With these advantages as "givens," local officials appear to have more control over their future development than was true in the other cities.

The People versus Territory Issue. Another issue that became apparent in two metropolitan areas was what can be called the "people versus territory" issue. It is easiest to explicate in the St. Louis context. St. Louis lost 17 percent of its population between 1960 to 1970. This massive loss of primarily higher-income people had serious negative consequences for the city's resource base, for the maintenance of its housing stock, and thus, to some extent, for the people remaining behind. However, there was reason to believe that the people who had left gained something from their mobility. Now, it is certainly in the interest of

city officials and property owners to take steps to attract new increments of population into the city. For both, increased demand for housing in the jurisdiction produces benefits. Alternatively, it is possible that many current residents could acquire greater personal improvement if steps were taken to increase their mobility to other parts of the metropolitan area. At the household level, greater benefits may be derived from choices of housing and neighborhoods among jurisdictions in a metropolitan area. In a declining city, these differences in potential benefits raise interesting policy options: Public funds can be invested in city renewal, emphasizing the territorial benefits; public money can be transferred directly to households, providing more options for individual mobility; a mix of policies can provide public support for the improvement of particular jurisdictions *and* individual households. We did not measure the alternative impacts of these policy options in the St. Louis study, but it is an interesting issue and one we would like to have pursued in future research.

In San Jose, the context in which the interests of a jurisdiction versus the interests of households emerged was quite different. There, it came up as a contrast between what city officials and planners wanted the county to look like and what individual families perceived about their living environments. This is not to say that residents of the county were insensitive to environmental concerns. Rather, it is to say that officials and planners are aesthetically sensitive to appearances that are experienced differently by residents. For planners, one of the worst features of the County's sprawl was an "ooze" of unimaginative

tract housing developments that had flattened orchards and wiped out much of the area's rural beauty. Further, they were dissatisfied by the absence of a "downtown" in San Jose. (The city is virtually a bedroom community for its suburbs.) Residents, on the other hand, seemed quite satisfied with their living environments because they had comfortable houses and yard space and access to convenient shopping centers located along highways. If they wanted a "real city" (a traditional central business district compacted with tall buildings), San Francisco was in easy driving range. Such a difference of perspective is not necessarily a serious one. However, some officials in the city were strongly inclined to recruit hotels and businesses to San Jose's downtown, in order to shape it along the lines of other cities. Yet, our evidence suggested that effort would be foolish in the face of a citizenry satisfied with existing housing markets and decentralized shopping.

Conceptual Comparisons

In conclusion, let me share with you one of the conceptual comparisons we made in the course of our work in these diverse cities--i.e., a "spillover" that occurred during our research. We found that annexation was viewed quite differently, depending on the problems that face a city at a particular time. In San Jose, for example, annexation was viewed as the chief culprit producing decentralized sprawl and disorganized street patterns. People there were convinced that if the former city manager had not so zealously gobbled up surrounding territory during the population rush of the sixties, sensible growth

patterns could have evolved. In St. Louis, on the other hand, annexation was viewed as the chief culprit producing a declining city surrounded by relatively affluent suburbs. That is, had the option of annexation been available to the city, it might have captured more resource base as decentralization occurred. Both arguments had a point, but the issue, of course, is not the merit of annexation per se, but what policies affect the structural forces that drive population and job location in a metropolitan area. Nevertheless, we were stimulated to think about the relationship between annexation and land use, and it led us in San Jose to develop the idea of land as inventory: It seemed reasonable in an area that was experiencing and expected to continue experiencing rapid population growth to consider policies that would allow "elbow room" for land use. The concept of land as inventory was later used in another, rather useful way in St. Louis where we defined the land provided by demolition of abandoned buildings as inventory and tried to see how the presence of such inventory might encourage new land uses. Thus, even though we did not select these cities for comparative purposes, it was often quite useful conceptually to be examining similar phenomena in quite diverse contexts.